

PSJ3  
Exhibit 370

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**From:** Gray, John <jgray@hdmanet.org>  
**Sent:** Thursday, January 24, 2008 3:59 PM  
**To:** Julian, Paul  
**Subject:** RE: HDMA Update

We have committed to the GOP convention for a three night event. We will be forwarding details at a later date. We are still waiting on the Democratic Convention. John

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**From:** Julian, Paul [<mailto:Paul.Julian@McKesson.com>]  
**Sent:** Thursday, January 24, 2008 10:26 AM  
**To:** Gray, John  
**Cc:** Dulkan, Ilene  
**Subject:** RE: HDMA Update

Thanks for the quick update....I will let Ilene know to connect us live. Where are we on the decision to attend the national conventions of the Dems and Republicans?

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**From:** Gray, John [<mailto:jgray@hdmanet.org>]  
**Sent:** Thursday, January 24, 2008 7:11 AM  
**To:** Julian, Paul  
**Subject:** HDMA Update

Paul: In case we do not connect this week, I will give you a brief update on several issues HDMA is working on a this time. I spoke with Ken Couch about these yesterday.

1) DEA: We have hired a consultant to work with both staff and members in compiling a "best practices" model for dealing with "suspicious orders." The first draft will be reviewed by a member committee meeting at HDMA on January 31. HDMA is meeting with NACDS/NCPA/APhA today to discuss possible pharmacy "best practices" that we may be able to incorporate into our overall document and present to DEA. Our outside counsel recommends having these "best practices" completed prior to requesting a formal meeting with the DEA. The immediate past counsel to the DEA recommended this approach. The pharmacy organizations appear very anxious and ready to help us persuade DEA to change their current tactics with respect to licensure suspensions.

2) HDMA participated in the California Board of Pharmacy meeting yesterday in San Diego. The Board is still considering an extension until 2011 and is remaining firm on the current requirements for serialization. We continue to support them and are keeping a close watch on PhRMA and its members to stop any attempts to alter the California law. When I get more details from the meeting, I will pass them along.

3) We received McKesson's comments on our model Federal Pedigree Bill and are working to incorporate those changes. The Government and Public Policy Council will approve the final draft at its February 13 meeting and agree upon the introduction strategy.

4) RxSafetrack: To date, I have had no response from Billy Tauzin after our conversation concerning their lack of commitment to the effort. No surprise here. I will follow-up.

5) Ken is OK with HDMA using \$45,000 from our Reserve Fund to develop a LIFO impact analysis with PriceWaterhouseCoopers. HDMA will use this to counter any Congressional efforts to repeal LIFO. This study was requested by our member Tax Task Force. Are you OK with this approach?

6) As I mentioned earlier, we are in the final stages of "closing the books" on 2007. Because of substantial savings in conference expenses, consultant fees (projects budgeted, but not done for various reasons) and curtailed travel in the second half on 2007, the operating budget surplus is estimated to now be approximately \$676,000. We had projected \$176,000 in October. This amount will go far in alleviating pressure on the 2008 budget that caused us to cut expenses in certain areas, particularly in federal lobbying. We will discuss how to best use this surplus at the upcoming Executive Committee meeting. This does take pressure off of dues and will allow HDMA to apply appropriate resources to potential battles in California and our effort to launch a federal pedigree bill in Congress this year. We have already begun an effort to use 2008 to go up to Congress and introduce HDMA, Scott and myself to the Democratic members that will be key players in a National Healthcare debate that will likely occur with a new Administration in 2009. Our goal is to share the new "Role of Distributor" study with them and emphasize that healthcare distributors are at the forefront of operating efficiency and cost-cutting in the healthcare delivery supply chain. This is a good time to educate the members of Congress so when the debate begins we will be positioned as cost-savers and not part of the overall increased cost of healthcare. Our Communications and lobbying teams are working together to develop this effort.

Finally, I e-mailed you earlier about the an invitation to the PhRMA Annual meeting in Laguna Niguel, March 27-29. If you are interested in attending, I will ask Billy for complimentary registrations. I hope you are well. Please let me know if you have any questions about any of the above information. Thanks, John

***John M. Gray***

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